

FILED

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
RALEIGH DIVISION

SEP 28 2001

PEGGY B. DEANS, CLERK
U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF N.C.

IN RE:)
)
INTERNATIONAL HERITAGE, INC.) CASE NO. 98-02675-5-ATS
) CHAPTER 7
)
)
Debtor.)

SECOND INTERIM APPLICATION FOR COMPENSATION FOR
SERVICES RENDERED BY ATTORNEY SPECIALLY

The application of Lewis & Roberts, PLLC attorney specially for Trustee, in the above-captioned case, respectfully represents:

1. That on the 2nd day of February, 1999 Lewis & Roberts, PLLC was approved as attorney specially on a contingency basis in the above-referenced case, #98-02675-5-ATS, and has since performed certain services on behalf of the Trustee.
2. With court approval, Trustee employed Lewis & Roberts, PLLC for a fee of 25% of each recovery in favor of the estate against Executive Risk Specialty Insurance Company, TIG Insurance Company, 20/21 Software, Inc. 20/21 Interactive LLC and Vertex, Inc. In the event of an appeal the contingency fee was to increase to 33%. Lewis & Roberts agreed to charge its regular hourly rates instead of a 33% contingency fee when Acstar Insurance Company appealed Bankruptcy Court and District Court orders denying any subrogation rights to a settlement in the amount of \$1,787,500.00 paid by Executive Risk Insurance Company to the estate.
3. Lewis & Roberts, PLLC rendered services to the Trustee appealing the Acstar matter to the Fourth Circuit. Trustee therefore seeks compensation for Lewis & Roberts in the amount of

308142

\$16,746.00 for services rendered from November 26, 2000 through September 12, 2001 and expenses incurred in the amount of \$3,602.59 for the same period as attached on Exhibit A attached hereto.

4. Attorney time is billed at a rate of \$135.00 per hour to \$195.00 per hour and is broken down as follows:

Attorney	Hourly Rate	Hours	Amount
James A. Roberts	\$195.00	17.2	\$3,354.00
James T. Johnson	\$135.00	99.2	\$13,392.00
Total			\$16,746.00

James A. Roberts, III is in the Raleigh office and concentrates his practice in the areas of insurance defense and commercial litigation, construction law and surety law. He is a graduate of Wake Forest University and the Wake Forest University School of Law. Mr. Roberts is a member of the National Bonds Claim Association and has extensive experience representing general contractors, subcontractors and surety companies in a variety of construction disputes. He is a member of the North Carolina Association of Defense Attorneys and also has extensive experience in representing insurance companies and their insureds in civil litigation matters. He is a member of the North Carolina and American Bar Associations and was admitted to the Bar in North Carolina in 1982. Mr. Roberts is co-author of the Suretyship Chapter of the Construction Law Deskbook by the Construction Law Section of the North Carolina Bar Association.

James T. Johnson is in the Raleigh office and concentrates his practice in the areas of

civil and commercial litigation, and construction law. He received a B.A. from Duke University and a J.D. from the North Carolina School of Law. Mr. Johnson is a member of the North Carolina and American Bar Associations and was admitted to the Bar in North Carolina in 1992. Prior to developing his commercial and litigation practice, Mr. Johnson served as an Assistant District Attorney in Wake County, North Carolina and as an Associate Attorney General for the State of North Carolina.

Applicant believes that the compensation requested is fair and reasonable.

WHEREFORE, your applicant prays that Lewis & Roberts, PLLC be allowed and paid from the estate the above requested interim compensation of \$16,746.00 and reimbursement of expenses in the amount of \$3,602.59 immediately.

This the 25th day of Sept., 2001.

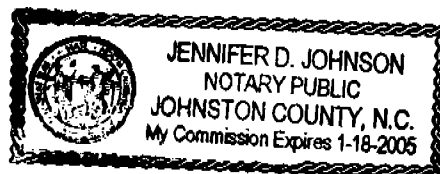
W. M. H. H. H.
Trustee

Sworn to and subscribed before me this the 25th day of Sept., 2001.

Jennifer D. Johnson
Notary Public

My Commission Expires:

1-18-2005



LEWIS & ROBERTS, P.L.L.C.

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Attn: Holmes P. Harden, Esq.
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Raleigh, North Carolina 27619-9764

August 23, 2001
Page #: 1
Client: 017492
Matter: 000002
Invoice #: 20105887

RE: Executive Risk Specialty Insurance Company
Executive Risk Specialty Insurance Company v.
International Heritage, Inc., Stanley H. Van Etten, Claude
W. Savage, and Larry G. Smith

For Professional Services Rendered Through August 23, 2001

SERVICE SUMMARY

Previous Balance	\$446,875.00
Payments Received Since Last Statement	\$446,875.00
Fees for Professional Services	\$16,746.00
Balance Due	\$16,746.00

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SERVICES

Date	Services	Pers	Hours
11/26/2000	Receipt and review docketing statement (.1); receipt and review correspondence from Clerk of Court, Fourth Circuit, re: briefing schedule (.2); receipt and review correspondence from Clerk of Court, Fourth Circuit re: counsel of record and disclosure form (.1); preparation of counsel of record form (.1); preparation of corporate disclosure statement (.1); correspondence to Clerk of Court, Fourth Circuit, re: counsel of record and disclosure statement (.1); Correspondence to opposing counsel, P. Fanning, re: appendix (.1); receipt and review correspondence from Clerk of Court, Fourth Circuit, re: mediation settlement conference (.1).	JTJ	0.9
11/27/2000	Telephone conference with Jay Goldschmidt with Lex Group re: Fourth Circuit filings; correspondence to Jay Goldschmidt re: disclosure statement.	JTJ	0.4
12/12/2000	Prepare joint appendix in Acstar matter.	JTJ	1.3
12/14/2000	Telephone conference with opposing counsel, P. Fanning, regarding appendix (2 times) (0.4); telephone conference with client, H. Harden (2 times) (0.4).	JTJ	0.8
12/19/2000	Attend 4th Circuit telephone mediation of Acstar matter.	JTJ	1.2

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SERVICES

Date	Services	Pers	Hours
12/28/2000	Attend 4th Circuit mediation (1.0); telephone conference with client, H. Harden, re: mediation settlement conference (.5).	JTJ	1.5
01/05/2001	Telephone conference with client, H. Harden re: settlement conference (.1); telephone conference with Mediator, D. Slawson (.1).	JTJ	0.2
01/15/2001	Receipt and review Acstar's 4th Circuit Brief.	JTJ	1.0
01/29/2001	Preparation of Acstar matter, 4th Circuit Appellee's Brief.	JTJ	1.4
01/30/2001	Preparation of 4th Circuit Appellee's Brief.	JTJ	5.4
01/31/2001	Preparation of Acstar matter 4th Circuit Appellee's Brief (2.5); legal research for 4th Circuit Brief on findings of fact and other issues (2.0).	JTJ	4.5
02/01/2001	Preparation of Acstar matter 4th Circuit Appellee's Brief.	JTJ	4.0
02/02/2001	Preparation of Acstar matter 4th Circuit Brief (5.0); legal research re: necessity of findings of fact -- Acstar matter (1.0).	JTJ	6.0
02/03/2001	Legal research re: necessity of findings of fact -- Acstar matter (1.4); preparation of Acstar matter 4th Circuit Brief (4.5).	JTJ	5.9
02/04/2001	Preparation of Acstar matter 4th Circuit Brief.	JTJ	6.0
02/05/2001	Preparation of Acstar Matter 4th Circuit Brief.	JTJ	6.0
02/06/2001	Preparation of Acstar Matter 4th Circuit Brief; Telephone conference with Jay Goldschmidt of The Lex Group re: filing Acstar Matter 4th Circuit Brief.	JTJ	2.2
02/07/2001	Study Acstar brief and review cases cited by Acstar.	JAR	2.0
02/07/2001	Preparation of Acstar Matter 4th Circuit Brief.	JTJ	1.8
02/08/2001	Telephone conference with client, H. Harden re: Acstar matter Brief.	JTJ	0.3
02/09/2001	Review and revise fourth circuit brief.	JAR	5.5
02/09/2001	Preparation of Acstar matter 4th Circuit Brief.	JTJ	4.0
02/10/2001	Work on revisions to brief to Fourth Circuit.	JAR	2.0
02/11/2001	Further revisions to Fourth Circuit Brief and study cases cited by Acstar.	JAR	4.0
02/11/2001	Preparation of Acstar matter 4th Circuit Brief.	JTJ	4.0
02/12/2001	Final review and revisions of Fourth Circuit brief and prepare same for filing.	JAR	3.0

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Date	Services	Pers	Hours
02/12/2001	Review and revise Acstar matter 4th Circuit Brief (3.0); telephone conference with The Lex Group, Jay Goldschmidt, re: filing 4th Circuit Brief (2x).	JTJ	3.5
02/23/2001	Receipt and review Acstar 4th Circuit Reply Brief.	JTJ	1.0
02/26/2001	Study Acstar's reply brief.	JAR	0.7
03/03/2001	Receipt and review correspondence from 4th Circuit re: oral arguments.	JTJ	0.1
05/03/2001	Preparation for 4th Circuit Oral Argument in Acstar matter.	JTJ	4.5
05/04/2001	Preparation for 4th Circuit Oral Argument - Acstar matter.	JTJ	7.0
05/05/2001	Preparation for Acstar matter 4th Circuit argument.	JTJ	2.0
05/06/2001	Travel to Richmond for 4th Circuit argument in Acstar matter (3.5); preparation for 4th Circuit argument in Acstar matter (7.0).	JTJ	10.5
05/07/2001	Preparation for 4th Circuit argument in Acstar matter (2.5); attend 4th Circuit oral argument in Acstar matter (5.0); travel from Richmond, VA (3.5).	JTJ	11.0
05/09/2001	Telephone conference with client, H. Harden, re: oral arguments of Acstar matter.	JTJ	0.8
Total Fees			\$16,746.00

PERSONNEL

Timekeeper		Hours	Rate	Amount
JAR	James A. Roberts, III	17.2	\$195.00	\$3,354.00
JTJ	James T. Johnson	99.2	\$135.00	\$13,392.00

Previous Balance	\$446,875.00
Current Charges	\$16,746.00
Less Payments	\$446,875.00
Total Amount Due	\$16,746.00

This invoice reflects payments received through invoice date.
 If you have already sent your payment, please disregard this invoice.

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September 12, 2001
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SERVICE SUMMARY

Previous Balance	\$16,746.00
Disbursements	\$3,602.59
Balance Due	\$20,348.59

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EXPENSES

Shawn Kauffman - Mileage (to Bankruptcy Court on 9-12-00)	\$3.25
Shawn Kauffman - Mileage (to Bankruptcy Court on 9-15-00)	\$3.25
Shawn Kauffman - Parking	\$3.00
Shawn Kauffman - Parking	\$2.00
West Group - Westlaw research	\$387.91
Shawn Kauffman - Mileage (9-20-00 to US Bankruptcy Court to review claims)	\$3.25
Shawn Kauffman - Mileage (9-21-00 to US Bankruptcy Court - review claims)	\$3.25
Shawn Kauffman - Mileage (9-22-00 to US Bankruptcy Court - review claims)	\$3.25
Shawn Kauffman - Parking	\$3.00
Shawn Kauffman - Parking	\$2.00
Shawn Kauffman - Parking	\$1.00
Pacer Service Center - Other (Accessing court electronic records)	\$3.15
Federal Express - Express Mail	\$26.43

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DISBURSEMENTS

Federal Express - Express Mail	\$18.05
West Group - Westlaw research	\$93.00
West Group - Westlaw research	\$270.95
The Lex Group - Document Preparation	\$316.34
Federal Express - Express Mail	\$27.91
Federal Express - Express Mail	\$12.92
James T. Johnson - Mileage (5-6-01 travel to Richmond to attend 4th Circuit oral argument)	\$106.95
James T. Johnson - Parking	\$20.00
James T. Johnson - Lodging	\$192.88
James T. Johnson - Meals	\$46.00
Long Distance Telephone Calls	\$24.50
Messenger Service	\$15.00
West Group - Westlaw research	\$8.75
Messenger Service	\$15.00
West Group - Westlaw research	\$1,059.75
Clerk, U. S. Bankruptcy Court - Outside Copying	\$163.00
Messenger Service	\$10.00
Facsimile	\$86.25
West Group - Westlaw research	\$61.22
West Group - Westlaw research	\$1.44
West Group - Westlaw research	\$163.09
Postage	\$12.55
Photocopies	\$434.30
Total Disbursements	\$3,602.59

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